10TH SUMMIT AND INTERNATIONAL CONFERENCE

August 2026

IFC International Finance Corporation WORLD BANK GROUP

Creating Markets, Creating Opportunities

IFC: Distressed Asset Recovery Program (DARP)

Act as anchor investor

De-risk new markets and platforms

Mobilize third party capital

Support market creation & develop-ment

Share best practices

We go first, so others can follow

#2 Investment Strategies

DA* Portfolio Investments

Special Situations Investments

Key Pillars for Private Investors to invest in an NPL market

1	**Volume**	▪ Volume justifies the **cost of due diligence** of a market as well as **ongoing management** of investments.
2	**Transferability**	▪ In case of loans, the **transfer process** involves the **sale of all rights** under the loan from the original creditor (lender) to a third party (investor).
3	**Price Gap**	▪ The **price difference** between what investors are willing to offer and what sellers are willing to accept. ▪ It can be **the most important nonlegal challenge** for a market to develop.
4	**Structure & Servicing capacity**	▪ For investors to **efficiently fund the purchase price** & to **receive the upside** on loan recoveries after recovery of the initial purchase price and costs, a suitable investment structure is critical. ▪ Investors rely on **local servicing capacity**
5	**An efficient Insolvency & Enforcement framework**	▪ Strong legal foundation for **insolvency & debt enforcement** is necessary. Investors rely on the judicial & extrajudicial framework to restructure & rehabilitate borrowers, as well as to enforce assets

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https://www.ifc.org/content/dam/ifc/doc/2025/what-attracts-investors-to-distressed-asset-markets.pdf

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AMC Key capabilities <u>for investor</u> by debt type

Secured Debt	Unsecured Debt
Loan management *Legal & Workout*	Collection Management *Digital, Call Center & Field*
Real Estate management *Valuation & Sale*	Legal Management

Portfolio management
Strategy & Financial & Data

AMC Evolutions examples

From a crisis response Institution…

1 Borrower management

- Contactability & Willingness to pay as key KPIs
- Workout

2 Legal Management

- Documentation management
- Legal strategy
- Court speed

3 RE management

- Auction management
- Possession
- Title
- Sale

4 Deal Sourcing & UW

- Relation with FI & sell side advisors
- Underwriting capabilities

5 Volumen drive business

- Size is key for an efficient process and high quality service

6 Strategy & Financial management

- Business plan update
- Investors management

To…

A Financial Services Outsourcing Provider

- Early default (<180 DPD)
- NPL / REO management
- Anticipation management: loan restructuring

B Financial intermediary

- Private Credit Lender
- Digital lending platform
- Insurance brokerage
- Fund manager

C RE Value creation

- RE Development
- Rental Management
- RE Broker Network
- Urban development

Closing

1

Public & Private Collaboration

- The question is **how Public & Private sector can work together** to create a market that **resolves NPLs efficiently, transparently, & at scale**
- **Our suggested #3 objectives:**
    1. Establish **transparency** (i.e court timmings & Avg. Recovery rate)
    2. Create **standardized transaction processes**
    3. Improve **data quality** that reduce execution friction
- Once these foundations exist, **markets are ultimately the most efficient allocators of capital and risk**

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Lessons Learned

- Successful NPL resolution is not fundamentally a financial or legal challenge. It is an **ecosystem challenge** (5 pillars)
- While institutions matter, **it is people, leadership, and collaboration** that determine success
- The **best solutions emerge** when the **public & private sectors work together**
- Our ambition should **not be to create stronger AMCs**, but to **create stronger markets** that eventually make extraordinary interventions unnecessary

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